

**United States Bankruptcy Court
Eastern District of Virginia
Alexandria Division**

In re:

**Linda M. and Michael J. Armellino,

Debtors.**

**Case No. 20-12475-BFK

Chapter 11**

Motion to Dismiss or Convert Case to Chapter 7

Comes Now, Matthew W. Cheney, Acting United States Trustee for Region 4, and moves the Court to dismiss or convert this case to a case under chapter 7, whichever is in the best interests of the creditors and the estate.

In support of this motion the following representations are made:

1. The Court has authority to hear and decide this matter. 28 U.S.C. Section 1334.
2. This is a core matter. 28 U.S.C. Section 157(b)(2)(A).
3. On November 6, 2020, Linda M. Armellino filed a petition for relief under chapter 11 of the Bankruptcy Code, case number 20-12475-BFK.
4. On November 23, 2020, Michael J. Armellino filed a petition for relief under chapter 11 of the Bankruptcy Code, case number 20-12579-BFK.
5. On February 18, 2021, the two cases were substantively consolidated.
6. On July 20, 2021, the Debtors filed a Report of Sale for real estate located at 206, 208 and 210 Queen Street, Alexandria, VA 22314. Docket No. 82.
7. On January 27, 2022, the Debtors filed a Report of Sale for real estate located at 409 Old Town Court, Alexandria, VA. Docket No. 134.

Office of United States Trustee
1725 Duke Street, Suite 650
Alexandria, VA 22314
Matthew W. Cheney
Acting United States Trustee
For Region 4
Jack Frankel, Attorney, VSB # 15019
(703) 557-7229

8. The case was confirmed on July 13, 2022. Docket No. 192. The Debtors' sole remaining parcel of real estate is the property located at 5811 Hampton Forest Way, Fairfax, VA 22030, which property serves as their primary residence.

9. The Debtors have failed to file the post confirmation quarterly reports for the third and fourth quarters of 2024. The last report was filed for the second quarter of 2024 on July 22, 2024.

10. The Debtors have not sent in any funds for quarterly fees. However, the account has a balance of (\$6,141.00) due to previous overpayments. This amount is subject to change if the missing reports are filed.

Argument

The Court, for cause, after notice and hearing, may dismiss or convert a case to a case under chapter 7, whichever is in the best interests of the creditors and the estate. 11 U.S.C. § 1112(b)(1).

Cause exists to grant the requested relief due to the Debtors' inactions. The Debtors have failed to file their quarterly reports for the third and fourth quarters of 2024. The failure to file post confirmation quarterly operating reports is cause for dismissal or conversion pursuant to 11 U.S.C. § 1112(b)(4)(F). Additionally, Local Bankruptcy Rule 2015-(a)-1(C), Chapter 11 Final or Interim Report, states:

Chapter 11 cases with confirmed plans shall follow the District Chapter 11 Closing Procedure to prepare and file the final report and motion for final decree. The final report, or an interim report setting forth the status of the case and the reason why the case cannot be closed, shall be filed with the Court and a copy served on the United States trustee within 6 months of the confirmation order.

The Local Bankruptcy Rules are orders of the Court.¹ Failure to obey an order of the Court is cause to dismiss or convert a case. 11 U.S.C. §1112(b)(4)(E).

The Acting United States Trustee cannot find and specifically identify any unusual circumstances establishing that dismissing this case is not in best interests of the creditors and the estate. In fact, the Debtors have sold their two main assets (Docket No. 82 and Docket No. 134), and do not appear to have any further assets to be administered. Per the quarterly report filed for the second quarter of 2024, all administrative, priority and general unsecured claims have been paid 100%, with secured creditors being reported to have received only 20% of the allowed claims. This claim is secured by the principal residence and, per the confirmed plan, retains its lien and is to be paid pursuant to the terms of the contract.

Wherefore, the Acting United States Trustee for Region 4 moves the Court to dismiss or convert this case whichever is in the best interests of the creditors and the estate.

Matthew W. Cheney
Acting United States Trustee
For Region 4

/s/ Jack Frankel
Jack Frankel, Attorney, VSB # 15019
1725 Duke Street, Suite 650
Alexandria, VA 22314
(703) 557-7229

¹ “These Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia are hereby prescribed and promulgated as Local Rules governing practice and procedure before the Court.” LBR 1001-1 Scope of Rules.

Certificate of Service

I hereby certify that on the 18th day of March, 2025, I mailed, United States mail, first class, postage prepaid, a true copy of this motion to the Debtors and e-mailed a copy to Debtor's attorney,

Linda M. Armellino Michael J. Armellino 5811 Hampton Forest Way Fairfax, VA 22030	Daniel Press, Esq. Email: dpress@chung-press.com
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/s/ Jack Frankel